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CONTACT: Colleen Kroll (202) 225-5235

STATEMENT BY CONGRESSMAN BOYD ON PRESCRIPTION DRUG PLAN

WASHINGTON: Early this morning, the U.S. House of Representatives voted on H.R. 1, the Medicare Prescription Drug and Modernization Act, which passed by one vote, 216 to 215. Congressman Allen Boyd (D-North Florida) voted against this bill. Congressman Boyd released the following statement regarding his vote:

"I have always been committed to finding effective and cost efficient solutions to the many problems seniors face in trying to pay for their prescription drugs. This is why I voted against H.R. 1. H.R. 1 does a lot of things, but I voted against this bill because of what it does not do. It does not make prescription drugs affordable; it **does not** guarantee that a benefit will be available to seniors in rural areas; it does not offer a meaningful plan with guaranteed costs and benefits; and it does not give seniors the option of obtaining prescription drug coverage through traditional Medicare.

"More specifically, H.R. 1 does not set a premium. It is up to each private plan, in each region, to set its own premium. Thus, by creating different regions with different rules, and relying on private insurance plans to offer coverage, H.R. 1 does not guarantee the same benefits for seniors in rural communities, where millions of seniors and disabled Americans have been abandoned by managed care plans.

"H.R. 1 does not provide any assistance to seniors who have prescription drug costs between \$2,000 and \$3,500. Forty-eight percent of all seniors fall into this "coverage gap" every year, but still pay the monthly premium. This means, on top of an undefined monthly premium, a significant number of seniors will still have substantial out of pocket expenses.

"H.R. 1 requires seniors to obtain private Medicare prescription drug coverage, even if they want to stay within the traditional Medicare program, and urges them to join Medicare Health Maintenance Organizations, or HMO's. In 1997, when Congress set up Medicare HMO's it quickly became apparent that the level of service, and the areas served, varied widely. In other words, rural America may not have equal access to private insurance companies.

"H.R. 1 prohibits the federal government from negotiating for the lowest prescription drug price for Medicare, ensuring that taxpayers who are paying for this \$400 billion program are not getting the best price for their hard earned tax dollars.

“The prescription drug plan I supported, drafted by the Blue Dog Coalition, was a modified version of the bipartisan Senate plan. The plan would have added drug cost containment measures and stronger rural provider options. It improved on the Senate bill by granting the Secretary of Health and Human Services (HHS) the authority to negotiate discounts with drug companies that would apply to all Medicare prescription drug plans. The Blue Dog plan also would have changed the Senate bill to phase in percentage of employer contributions to count toward the out-of-pocket limit for catastrophic coverage, and to make Medicare the primary payer for low income seniors eligible for both Medicaid and Medicare.

“The Blue Dog proposal would have established a new Medicare Advantage plan relying on preferred provider organization and other plans to offer integrated benefits to Medicare beneficiaries, but did not contain the premium support provisions in the House Republican bill. A guaranteed government fallback option would be available in areas where there are not at least two plans available, which would have ensured some type of coverage in rural areas. The Medicare fall-back plan would have been required to contract for a 2-year period. The Blue Dog plan also would have accelerated and improved the rural provider provision to begin in 2004, and provided better access to generic drugs. Unfortunately, the House leadership would not allow the Blue Dog plan to come to the floor for debate or a vote.

“As I stated previously, working to provide an effective, cost efficient, and fair prescription drug plan has been one of my top priorities. That is why I could not vote for this bill, because I do not think it is good enough for our seniors. Americans deserve, and have earned, the right to a **prescription drug benefit that is guaranteed, affordable, and available to all seniors, and I assure you I will continue to work for a better plan.**”